

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2019**

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**SENATE BILL 429**  
**PROPOSED HOUSE COMMITTEE SUBSTITUTE S429-PCS15413-MMa-6**

Short Title: Disaster Recovery - 2019 Budget Provisions.

(Public)

Sponsors:

Referred to:

April 1, 2019

A BILL TO BE ENTITLED  
AN ACT TO ENACT THE 2019 DISASTER RECOVERY ACT CONSISTENT WITH THE  
PROVISIONS OF HOUSE BILL 966 OF THE 2019 REGULAR SESSION AND TO  
APPROPRIATE FUNDS.

The General Assembly of North Carolina enacts:

**PART I. TRANSFERS, APPROPRIATIONS, REVERSIONS, REALLOCATIONS**

**SECTION 1.1.** Transfer from Hurricane Florence Disaster Recovery Reserve. – The State Controller shall transfer the sum of ninety-four million one hundred three thousand dollars (\$94,103,000) in nonrecurring funds for the 2019-2020 fiscal year from the Hurricane Florence Disaster Recovery Reserve in the General Fund to the Hurricane Florence Disaster Recovery Fund created in S.L. 2018-134, and these funds are appropriated within the Fund and shall be allocated as provided in Part II of this act.

**SECTION 1.2.** Reversion of Composting Reimbursement Funds. – Notwithstanding any other provision of law, the sum of seventeen million dollars (\$17,000,000) received by the Department of Agriculture and Consumer Services as reimbursement for composting programs necessitated by damage to livestock caused by Hurricane Florence shall revert to the Hurricane Florence Disaster Recovery Fund created in S.L. 2018-134 and is appropriated within the Fund for the 2019-2020 fiscal year and shall be allocated as provided in Part II of this act.

**SECTION 1.3.** Reallocation of Community College Funds. – Notwithstanding any provision of S.L. 2018-136 or the Committee Report described in Section 6.1 of that act to the contrary, of the funds allocated to the North Carolina Community College System Office for repair and renovation of local community college facilities damaged by Hurricane Florence, the sum of one million five hundred thousand dollars (\$1,500,000) is reallocated to offset the full time equivalent (FTE) losses at affected community colleges due to enrollment declines caused by Hurricane Florence.

**SECTION 1.4.** Disaster Relief for Future Events. – The State Controller shall transfer the sum of five million dollars (\$5,000,000) from the Hurricane Florence Disaster Recovery Reserve in the General Fund to the State Emergency Response and Disaster Relief Fund and the funds are appropriated to be used to ensure that sufficient funds are available to provide relief and assistance as authorized by G.S. 166A-19.42 for future emergencies and not including Hurricane Florence or Hurricane Michael. The limitations contained in Section 4.1 of this act do not apply to this section.

**SECTION 1.5.** Departmental Receipts. – Departmental receipts, as defined in G.S. 143C-1-1, are appropriated for the 2019-2020 fiscal year up to the amounts needed to implement the disaster recovery provisions provided in this act for the 2019-2020 fiscal year.



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**PART II. ALLOCATIONS**

**SECTION 2.1.** Allocations. – The funds appropriated and reallocated in Part I of this act in the Hurricane Florence Disaster Recovery Fund shall be allocated as follows:

- (1) \$6,400,000 to the North Carolina Community College System Office to offset the full-time equivalent (FTE) losses at affected community colleges due to enrollment declines caused by Hurricane Florence. When calculating the enrollment growth budget request for the 2020-2021 fiscal year, the North Carolina Community College System Office shall adjust the FTE to reflect the FTE lost due to Hurricane Florence.
- (2) \$27,868,000 to the Office of State Budget and Management to be used for directed grants as follows:
  - a. \$68,000 to the Town of Morehead City for the renovation and dredging of Pelletier Creek. These funds shall not be subject to the requirements of G.S. 143-215.73F(c).
  - b. \$200,000 to the Town of Bladenboro for demolition of buildings owned by the Town that were damaged by Hurricane Florence.
  - c. \$300,000 to the Bladen County Kelly Dike District for engineering and planning for repairs to Kelly Dike, which spans both Bladen and Pender counties.
  - d. \$500,000 to Jones County to repair damage to the county courthouse caused by Hurricane Florence.
  - e. \$500,000 to Pender County to repair damage to the county courthouse caused by Hurricane Florence.
  - f. \$1,000,000 to the City of Greensboro for recovery projects related to the tornadoes that struck the area in April of 2018.
  - g. \$1,000,000 to the Town of Elm City for disaster recovery projects.
  - h. \$3,300,000 to Carteret County to support the Bogue Sound Project.
  - i. \$3,500,000 to Sampson County for the construction of a new Emergency Management Center.
  - j. \$5,500,000 to the Town of Mount Olive for repairs and renovations to the town's wastewater treatment plant.
  - k. \$6,000,000 to the Town of Fair Bluff for various disaster recovery projects.
  - l. \$6,000,000 to the Town of Princeville for various disaster recovery projects.
- (3) \$22,675,000 to the Department of Environmental Quality to be used as follows:
  - a. \$175,000 for the FerryMon program.
  - b. \$3,000,000 to provide directed grants to Surry County for the following, which are not subject to any local match requirement:
    1. \$500,000 for the Cedar Creek Project.
    2. \$1,500,000 for the Big Elkin Creek Project.
    3. \$1,000,000 for the Mitchell River Project.No local match is required for these projects.
  - c. \$8,000,000 for disaster-related infrastructure and cleanup needs including water and wastewater infrastructure, coastal management planning, and dam safety.
  - d. \$11,500,000 for the Coastal Storm Mitigation Fund. The funds shall be used to provide grants in an amount not to exceed \$2,500,000 for each unit of local government during the 2019-2021 fiscal biennium.

Notwithstanding G.S. 143-215.73M, no cost-share shall be required for these grants.

- (4) \$22,000,000 to the Department of Public Safety, Office of Recovery and Resiliency to be used as follows:
- a. \$5,000,000 for mitigation buyouts, relocations, buyout assistance to local governments, and infrastructure repairs in order to serve homeowners and communities that would otherwise be eligible for federal Community Development Block Grant – Disaster Recovery (CDBG-DR) funding, but are outside of the federally designated "most impacted, most distressed" counties.
  - b. \$8,000,000 for the State Acquisition and Relocation Fund which provides gap funding to storm survivors related to buyouts to move families out of floodplains.
  - c. \$9,000,000 to assist financially distressed local governments with staff support and to provide grants and loans to local governments in disaster areas that need immediate cash flow assistance.
- (5) \$4,500,000 to the Office of State Budget and Management for Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., shall be used to provide grants to governmental entities and organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The funds may be used to repair, replace, construct, or improve infrastructure or equipment damaged as a result of Hurricane Florence as well as to construct or improve infrastructure to support hazard mitigation. For the purposes of this program, infrastructure includes nonresidential buildings that serve the public, water, sewer, stormwater, and other publicly owned assets. Golden L.E.A.F. may also provide grants to 501(c)(3) nonprofit organizations and established religious organizations to repair or replace places of worship damaged or destroyed by Hurricane Florence.

Notwithstanding any provision of S.L. 2018-136 or the Committee Report described in Section 6.1 of that act to the contrary, the funds allocated to the Office of State Budget and Management for Golden L.E.A.F. for infrastructure may be used for the purposes authorized in this subdivision.

The funds allocated to Golden L.E.A.F. in this subdivision are not subject to G.S. 143C-6-23(d).

- (6) \$5,000,000 to the Department of Natural and Cultural Resources to support the aquarium at Fort Fisher.
- (7) \$6,000,000 to the Department of Public Safety, Division of Emergency Management to be used as follows:
- a. \$1,000,000 for a grant program to support volunteer organizations that provide disaster recovery services.
  - b. \$1,000,000 to support the North Carolina Search and Rescue Program.
  - c. \$2,000,000 to purchase and install river gauges to improve flood mapping and real-time flooding information.
  - d. \$2,000,000 to develop a pilot program to help pay for the cost of up to two years' flood insurance for eligible applicants and eligible properties. Subject to the eligibility requirements contained in this sub-subdivision, when awarding funds, the Division shall give priority to applicants and subject properties in the most impacted and distressed counties as determined by the United States Department of Housing and Urban Development for Hurricane Matthew, Hurricane

Florence, or both. In order to be eligible for funds under the pilot program, all of the following shall apply:

1. The applicant earned no more than eighty percent (80%) of the subject area median income during the preceding calendar year and has not received flood insurance for the subject property from any federal program, including by the Community Development Block Grant–Disaster Recovery or the Federal Emergency Management Agency (FEMA) Housing Assistance Program.
2. The subject property is the applicant's primary residence, is insurable, and has experienced a repetitive loss as that term is defined by FEMA.

In addition to any reporting requirement contained in S.L. 2018-134, S.L. 2018-136, or S.L. 2018-138, the Division shall report to the chairs of the Senate Committee on Appropriations/Base Budget, the chairs of the House Committee on Appropriations, and the Fiscal Research Division by March 31, 2020, and March 31, 2021, regarding the implementation of this subsection.

(8) \$10,160,000 to The University of North Carolina Board of Governors to be used as follows:

- a. \$160,000 to the North Carolina Policy Collaboratory (Collaboratory) for the ModMon program.
- b. \$2,000,000 to the Collaboratory to study flooding and resiliency against future storms in Eastern North Carolina and to develop an implementation plan with recommendations. The Collaboratory shall report the flooding and resiliency implementation plan to the Joint Legislative Emergency Management Oversight Committee no later than December 1, 2020. Notwithstanding Section 3.1(c) of S.L. 2018-134, funds allocated to the Collaboratory as provided in this sub-subdivision shall revert on December 30, 2020. The University of North Carolina shall not charge indirect facilities and administrative costs against the funding provided for the Collaboratory from the Hurricane Florence Disaster Recovery Fund.
- c. \$8,000,000 to the University of North Carolina Wilmington (UNC-W) for repairs and renovations to the Dobo Hall science building, which was damaged by Hurricane Florence.

(9) \$2,000,000 to the Department of Agriculture and Consumer Services to be used as follows:

- a. \$1,000,000 for the purchase of initial attack bulldozers and tractor plow units for emergency response.
- b. \$1,000,000 for stream debris removal.

(10) \$1,000,000 to the Wildlife Resource Commission (WRC) to inspect, investigate, and remove derelict and abandoned water vessels. Notwithstanding any provision of law in Chapter 75A of the General Statutes, the WRC is authorized to use these funds to inspect, investigate, and remove abandoned and derelict vessels. As used in this subdivision, the phrase "abandoned and derelict vessel" means a water-going craft located in a canal or the Intracoastal Waterway that has been damaged or destroyed by weather-related events and that is impeding water traffic. The phrase does not apply to a vessel that is moored to a dock or otherwise not located in an area

of normal water traffic. WRC may also remove and dispose of vessels identified by the Marine Patrol of the Division of Marine Fisheries.

### **PART III. DIRECTED GRANTS, OTHER MODIFICATIONS, AND CLARIFICATIONS**

**SECTION 3.1.(a)** Directed Grants; Definitions. – For purposes of this act, the following definitions apply:

- (1) Directed grant. – Nonrecurring funds allocated by a State agency to a non-State entity as directed by an act of the General Assembly.
- (2) Non-State entity. – As defined in G.S. 143C-1-1.

**SECTION 3.1.(b)** Directed Grants; Requirements. – Nonrecurring funds appropriated in this act as directed grants are subject to all of the following requirements:

- (1) Directed grants are subject to the provisions of subsections (b) through (k) of G.S. 143C-6-23.
- (2) Directed grants of one hundred thousand dollars (\$100,000) or less may be made in a single annual payment in the discretion of the Director of the Budget. Directed grants of more than one hundred thousand dollars (\$100,000) shall be made in quarterly or monthly payments in the discretion of the Director of the Budget. A State agency administering a directed grant shall begin disbursement of funds to a non-State entity that meets all applicable requirements as soon as practicable, but no later than 100 days after the date this act becomes law.
- (3) Beginning on the first day of a quarter following the deadline provided in subdivision (2) of this subsection and quarterly thereafter, State agencies administering directed grants shall report to the Fiscal Research Division on the status of funds disbursed for each directed grant until all funds are fully disbursed. At a minimum, the report required under this subdivision shall include updates on (i) the date of the initial contact, (ii) the date the contract was sent to the entity receiving the funds, (iii) the date the disbursing agency received the fully executed contract back from the entity, (iv) the contract execution date, and (v) the payment date.
- (4) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary, nonrecurring funds appropriated in this act as directed grants shall not revert until June 30, 2021.
- (5) Directed grants to nonprofit organizations are for nonsectarian, nonreligious purposes only.

**SECTION 3.1.(c)** Directed Grants; Sunset. – This section expires on June 30, 2021.

**SECTION 3.2.** Clarify Volunteer Fire Department Assistance. – Notwithstanding any provision of S.L. 2018-136 or the Committee Report described in Section 6.1 of that act to the contrary, the funds allocated to the Department of Insurance, Office of State Fire Marshal, for financial assistance to volunteer fire departments is available to be used to repair damages not covered by insurance policy proceeds.

**SECTION 3.3.** Expand DACS Farmer Assistance. – Notwithstanding the deadline set forth in Section 5.11(e) of S.L. 2018-136, as amended by S.L. 2018-141, a person who experienced a verifiable loss of agricultural commodities as a result of excessive rain and flooding that occurred during May 15, 2018, through December 31, 2018, and whose farm is located in a North Carolina county that, between January 31, 2019, and February 15, 2019, was included in a Secretarial Disaster Declaration, either as a primary county or as a contiguous county, as a result of excessive rain and flooding that occurred during May 15, 2018, through December 31, 2018, issued by the United States Secretary of Agriculture, is eligible for financial assistance for losses of agricultural commodities pursuant to Section 5.11 of S.L. 2018-136. This section is effective when this act becomes law. The Department shall accept completed

1 applications from persons eligible for financial assistance pursuant to this section for no more  
2 than 10 consecutive business days beginning on the effective date of this section. This section  
3 shall expire on the date the Department has processed all applications validly received during  
4 this period.

5 **SECTION 3.4.** CAMA Emergency General Permit Extension. – Notwithstanding  
6 the time lines set forth in 15A NCAC 07H .2502 or other applicable law to the contrary, Coastal  
7 Area Management Act Emergency General Permits authorized in response to Hurricanes  
8 Florence and Michael and activated by the Secretary of the Department of Environmental Quality  
9 in a September 20, 2018, statement, as amended on October 12, 2018, shall be subject to the  
10 following schedule:

11 (1) All emergency general permits must be issued by October 12, 2019.

12 (2) All work authorized by the emergency general permits must be completed by  
13 October 12, 2020.  
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#### 15 **PART IV. APPLICABILITY**

16 **SECTION 4.1.** Unless otherwise provided, this act applies to the North Carolina  
17 counties designated under a major disaster declaration by the President of the United States under  
18 the Stafford Act (P.L. 93-288) as a result of Hurricane Florence. Section 3.1 of S.L. 2018-134,  
19 as amended, applies to this act and is incorporated by reference, except Section 3.1(b) of that  
20 section shall not apply to any directed grants or funds provided to a State agency for future  
21 disaster studies. Sections 4.2, 4.3, 5.21, 5.22, 5.23, and 5.24 of S.L. 2018-136 apply to this act  
22 and are incorporated by reference.  
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#### 24 **PART V. MISCELLANEOUS**

25 **SECTION 5.1.** Notwithstanding any other provisions of law, if House Bill 966, 2019  
26 Regular Session, becomes law, then Section 4.6 of that act is repealed.

27 **SECTION 5.2.** If any provision of this act and G.S. 143C-5-4 are in conflict, the  
28 provisions of this act shall prevail. The appropriations and the authorizations to allocate and  
29 spend funds which are set out in this act shall remain in effect until the Current Operations  
30 Appropriations Act for the applicable fiscal year becomes law, at which time that act shall  
31 become effective and shall govern appropriations and expenditures. When the Current  
32 Operations Appropriations Act for that fiscal year becomes law, the Director of the Budget shall  
33 adjust allotments to give effect to that act from July 1 of the fiscal year.  
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#### 35 **PART VI. EFFECTIVE DATE**

36 **SECTION 6.1.** Except as otherwise provided, this act becomes effective July 1,  
37 2019.